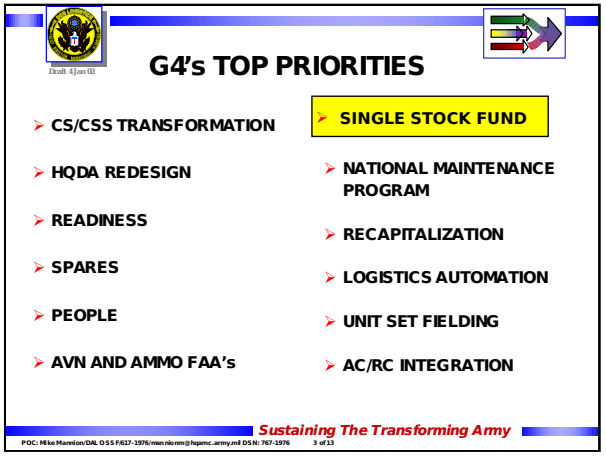
Introduction

Purpose: **Provide a Single Stock Fund (SSF) Program Orientation**

Topics:

- **SSF Background & Vision**
- **Milestone 1&2 Environment**
- **SSF Milestone 3 - What Changes & What Doesn't**
- **Quick Updates**



Definitions

AWCF:

Revolving fund financial management structure which promotes <u>total cost visibility</u> and <u>full cost recovery</u> of support services rendered to the Army's operating forces

DA Proponent: ABO

Funds:
Providing essential industrial goods & services

SSF Initiative:

Process reengineering to integrate and streamline specific Secondary Item (repair parts, assemblies, and consumables) logistics and financial functions which creates a single fund above PLL/Shop Stock

DA Proponent: G-4

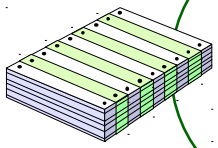
Process to Tear Down Barriers:
Transforming Logistics and Financial Processes

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

How the AWCF Works

Key Points:

- Customer-Provider relationship
- Recover full cost of operations
- Make both customers & providers more aware of costs
- Rates stabilized in FY
- Customers budgeted in appropriated funds to pay rates



Seller working capital

Inventory

Cash

2

Expenditures for labor, supplies, etc., on customer order

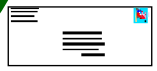
Requisition 1

Payment of billing

5

3

Products or services provided to customer

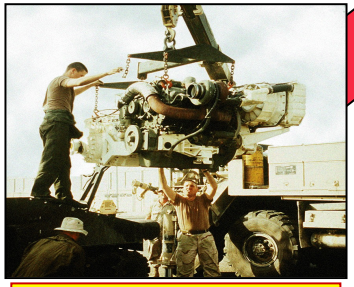


Billing to customer

4

Action starts here

Buyer (customer)



Unserviceable Item

Sales

-Inventory
-Costs of doing business

Key Points

- **AWCF Supply Management Army (SMA) Account -- financial structure used to purchase, repair, and hold spare & repair parts inventories -- ABO manages, AMC executes**

- **SSF is reengineering AWCF-SMA processes -- integrating ownership & visibility of spare parts from multiple layers to National management**

- **SSF Milestone 3 environment optimizes Secondary Item management -- but will require active Partnership & Stewardship between Field Commanders and the National level**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

SSF Strategic Focus

Process Re-engineering

Delivering integrated Logistics & Financial processes to better manage spares inventories… A Transformation Enabler

Tearing Down Barriers: **Transforming Army Logistics and Financial Processes**

SSF

AWCF Inventory

O&M Inventory

National Logistics Management

Enabling

Supply Management

- Multiple Inventory Locations:
  - Depot
  - Theater
  - Corps
  - Installation
  - ASG

Single Ledger & Logistics Chain Management

Maintenance Management

- National Level
- Depot
- Contractor
- Below Depot
- DOL/ASG
- FRA/SRA
- CSMS
- Field Level
  - Unit
  - DS

Smarter Repair/Buy Directions

Unit PLL & Shop Stock

Enhanced Warfighter support
- Global access to critical stocks
- Robust Reachback Supply Operations
- AWCF-SMA funds ASLs

Improved Decision-making
- Visibility of Assets - Requirements - Finances

Integrated - Seamless Process
- Logistics & financial visibility
- Active & Reserve Component ASLs
- Requirements determination

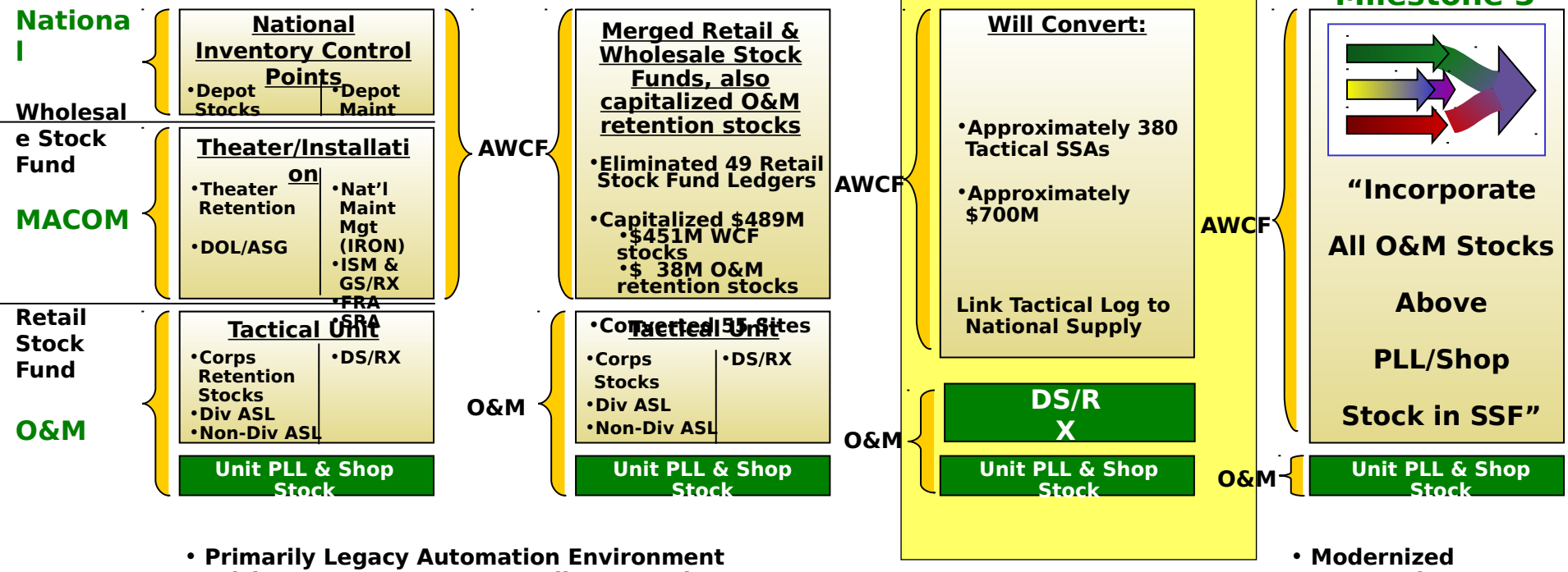
Streamlined
- Eliminated multiple financial transactions
- Eliminated duplicate automated systems

Sustaining The Transforming Army

The SSF Vision: A Phased Campaign Plan

The Objective

- A Single, Integrated Logistics and Finance Process, Supported by Seamless Automation

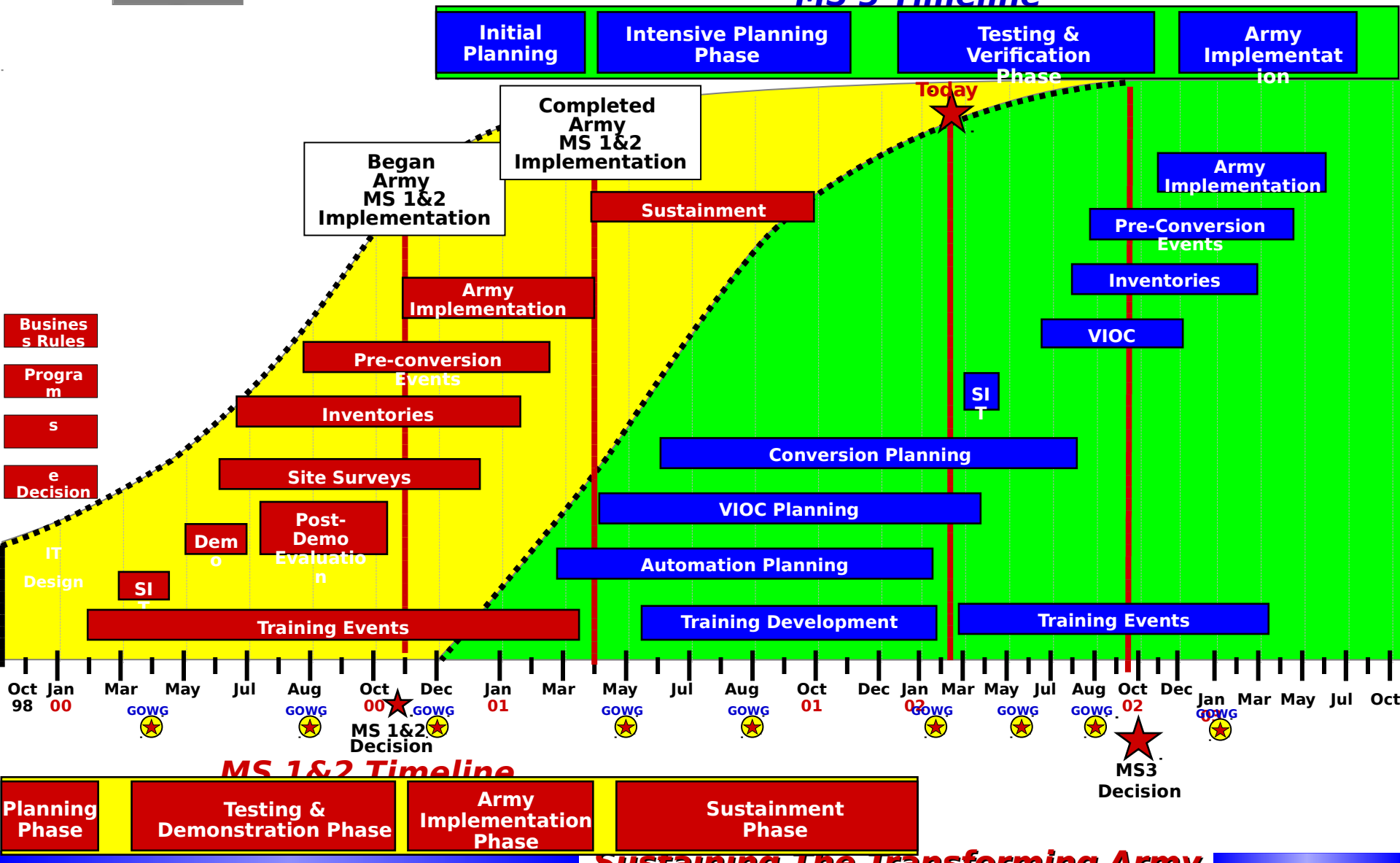


- Primarily Legacy Automation Environment
- Pricing Structure - Buy at Full AMDF Price

- Modernized Automation
- Pricing Structure – Exchange Pricing

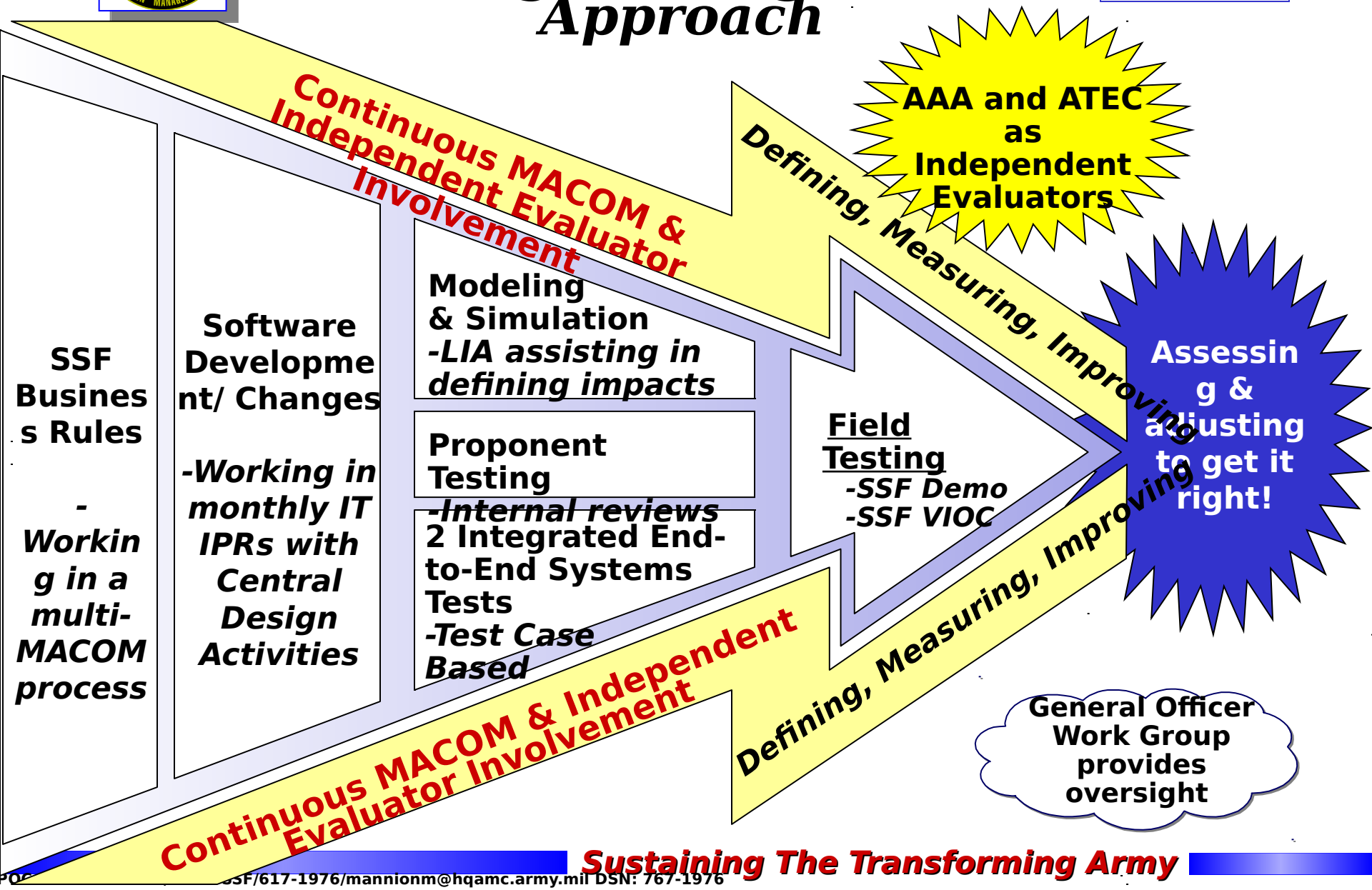
POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

SSF Schedule



POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

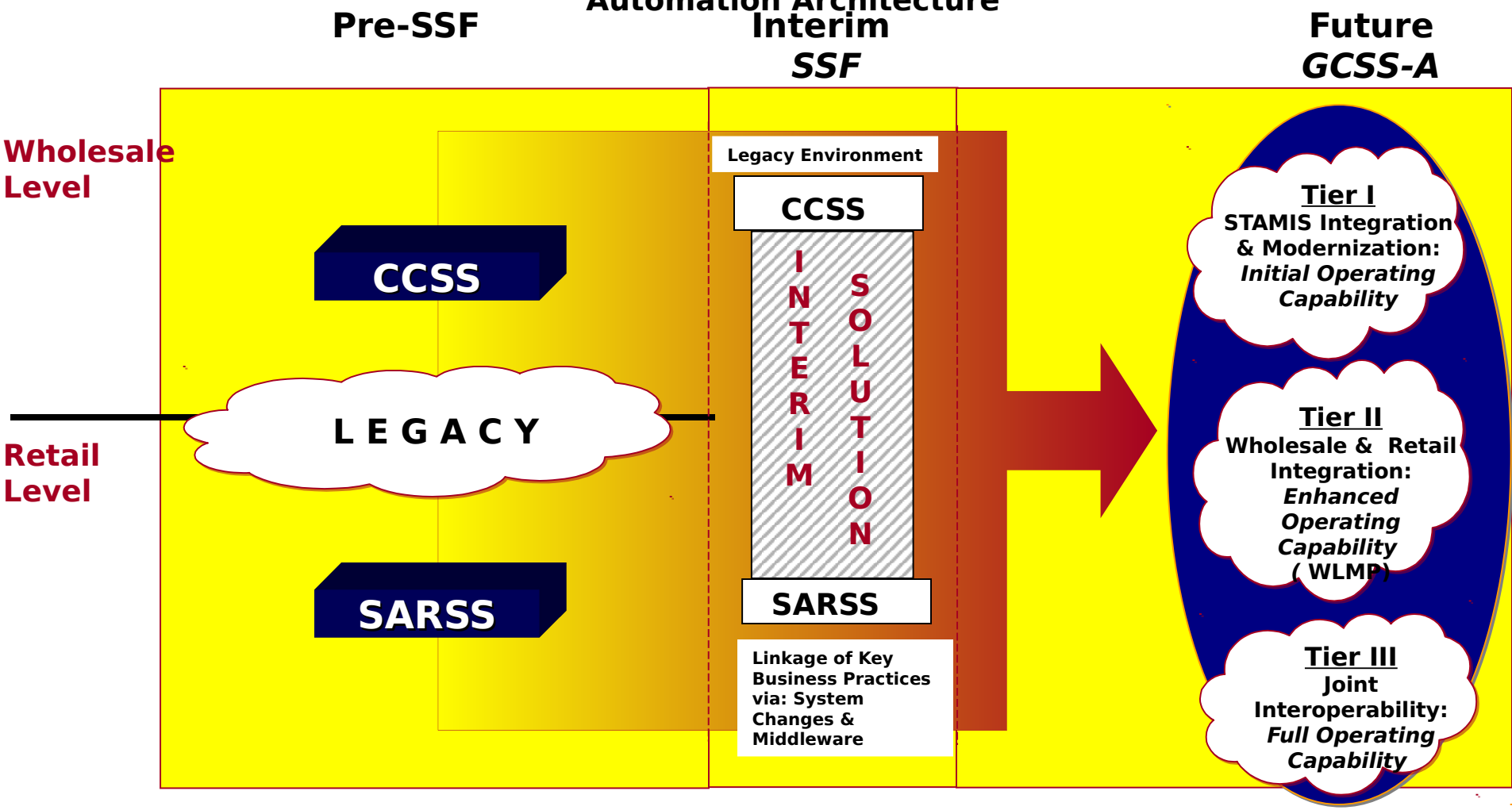
Change Management Approach



POC: SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Strategic Automation Framework

At End State, SSF delivers "Seamless Logistics & Finance Systems with a Single Manager Supported by a Single Automation Architecture"



POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Changing the Way We Do Business: Milestones 1&2

- *Single Point of Sale*
- *Single Credit Process*
- *Requirements & Visibility*
- *Enabling NMM*

What was promised

Increased automated inventory visibility and mechanisms to access AWCF inventories to meet Warfighter requirements

Elimination of duplicate financial layers & processes, streamlined AWCF inventory management

Predictable, stabilized, and simpler Price & Credit processes

Enabling National Maintenance Management

What was enabled

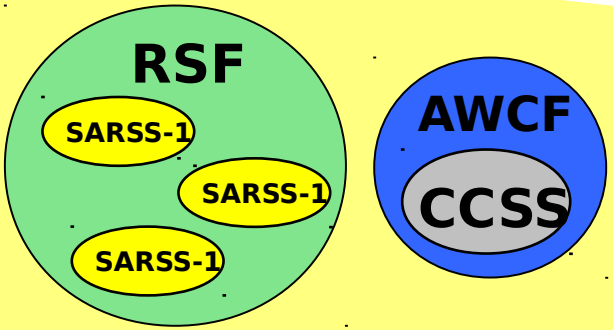
- Linked field automated systems to the National level (SARRS-CCSS)
- Increased inventory visibility
- Redistributed $117.2M in FY 01
- Eliminated 49 general ledger accounts
- AWCF financials on one set of books
- Implemented CFO Act compliance credit policy
- Reduced installation financial reconciliations by eliminating retail stock fund general ledgers
- Leveraged asset and demand data visibility to optimize capabilities based on Army need
- Reimbursement for repair of AWCF items

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

SSF Asset Visibility Environment

Pre-SSF

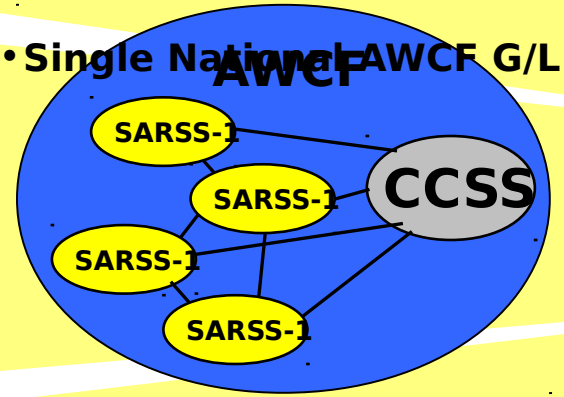
- Limited National Visibility of Stocks
- Retail operation independent
- 55 RSF General Ledgers (G/L)



- MACOMs became entrepreneurs
- Tiered Credit Processes
  - AMC
  - DA
  - MACOM

Current (MS 1&2)

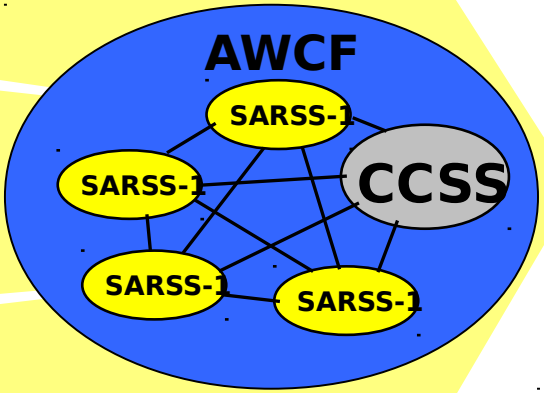
- National Visibility of Stocks
- Wholesale processes through Installation
- Single National AWCF G/L



- 24/7 RTRP (Req/Status)
- Single Army Credit Process
- AWCF Sites
  - Director
  - Beneficiary

Future (MS 3)

- Global Visibility of Stocks
- Wholesale processes throu
  Tactical SSA
- Single National AWCF G/L



- 24/7 Expanded Real-Time Processing
  - All Accountable Trans
- Tactical SARSS-1
  - Beneficiary

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Key Measures

Improving Customer Wait Time

AWCF Customer Wait Time (CWT) (Class IX)

RATING: Green

Status: Army overall AWCF CWT for Dec 01 was 15.2 days.
Measurement Standard: FY 00 baseline (measured in days)
Ratings: Green: Army performance better than baseline. Amber: some fluctuation or inconsistency. Red: worse than baseline
Analysis:
- CONUS CWT was 2.5 days better than the baseline, but was slightly higher than Nov 01 due to filling aged backordered items
- OCONUS CWT rose after improving in Nov 01. This is principally attributable to filling of aged backordered items

FY 00 Baseline	ARMY			
Percentile	CWT	Oct 01	Nov 01	Dec 01
50%	8	7	7	7
75%	14	12	11	11
95%	78	49	56	65
Mean	18.3	13.4	14.0	15.2

FY 00 Baseline	CONUS			
Percentile	CWT	Oct 01	Nov 01	Dec 01
50%	7	7	7	6
75%	13	11	11	10
95%	77	46	55	63
Mean	17.6	12.9	13.7	14.2

FY 00 Baseline	OCONUS			
Percentile	CWT	Oct 01	Nov 01	Dec 01
50%	14	26	8	20
75%	30	36	18	38
95%	95	95	106	102
Mean	27.8	31.3	22.9	32.4

Utilizing Army-owned Materiel

AWCF Inventory Redistribution

RATING: Green

Status: Total AWCF inventory redistribution in Dec 01 was $22.4M

Measurement Standard: Projected SSF year 2 inventory redistribution (above the Requisitioning Objective (RO)) was approximately $16M. We exceeded this target in the first quarter, FY 02. No baseline exists.

Analysis: AWCF redistribution continues to support the Warfighter requirements. Redistribution of excess stocks (above RO) means we are achieving procurement offsets by cross-leveling stocks. Redistribution below the RO means we are penetrating ROs IAW the SSF Search Pattern to meet high priority requirements.

Since SSF implementation, redistributed over $191.8M

Data source: LOGSA/LIF

AWCF Redistribution Summary - Dec 01				
Above RO	Requisitions	7221	Dollar value	$ 15.9M
Below RO	Requisitions	587	Dollar value	$ 6.6M
Totals		7808		$ 22.5M

AWCF FY 02 redistribution over $79M

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

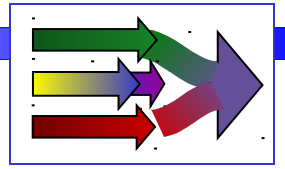
Moving to End State

- **Single Point of Sale:**
  - Eliminate multiple points of sale
  - Link O&M customers to the National level
- **Single Credit Process:**
  - Eliminate multiple credit processes
  - Simplify & standardize credit
- **Integrated Reqs Determination:**
  - Expand National visibility of AWCF inventories
  - Use that visibility to enable smarter decisions
- **Enabling National Maintenance Mgmt:**
  - Partnering with the field to repair the right AWCF items at the right place, at the right time

MS 1&2	MS 3
✓DOL/ASG inventories became AWCF	Extending SSF to Tactical SSAs
✓Transitioned to National needs-based NSN credit ✓Eliminating ≤ $50 credit	Extending AWCF credit to tactical customers
✓DOL/ASG RO/RL rolled up to CCSS	Extending SSF to Tactical SSAs
✓Local Maintenance became source of National supply	Nat'nl Maint. Work Load tracking; SAMS data visible

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

SSF MS 3 Focus



- ✓In the SSF MS 3 environment, overarching logistics responsibilities will remain unchanged: CSS units will continue to orchestrate logistics support to meet Warfighter requirements

- ✓There will be changes in <u>how</u> that support is provided

- ✓The Army approach is to minimize the impact of these changes by making improvements to automated systems

- ✓The majority of these changes will be transparent to non-CSS units -- and to SARSS-l operators

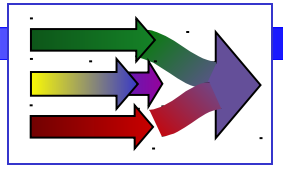
POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

SSF MS 3 Key Points

- **Warfighter will determine readiness requirements**
- **Tactical SSAs will not be routine source of supply for the National level**
- **SSF will leverage National visibility of tactical ASL activity to make improved buy, redistribute, and repair decisions**
- **Sizing decisions for tactical ASLs no longer O&M driven**
- **ASL replenishment will be an AWCF responsibility (except DS/RX)**
- **Tactical ASL AWCF inventories are deployable**
- **Major Automation features:**
  - **SSF Middleware will link tactical and National legacy systems**
  - **Restored RON-DON functionality at DOL/ASG SARSS-1 (Cdr's option)**
  - **Restored functionality at DOL/ASG SARSS-1 to release partials**
  - **New files will be available to manage DS/RX programs**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Milestone 3 Environment



What's Not Changing

What's Changing

National Level

- AWCF redistribution IAW search matrix/penetration rules (except IPD-01)
- Granting AWCF credit
- Item management
- RD&ES

- Expanded ASL Visibility/Tactical input
  - AWCF inventory affecting transactions
- Directs IPD-01 redistribution
- Visibility of DS/RX activities, contract repairs, and maintenance transactions

Installation Level

- Credit NSN based
- Redistribution IAW search matrix/ penetration rules
- ASL stockage determination process
- AMC Reps on Installation

- Partials at DOL
- RON/DON at DOL
- Accept RC turn-ins
- AWCF funds ASL replenishment
- Non-DS/RX O&M stock capitaliz
- Standardized automatic retrograde
- AWCF Credit (except DS/RX)
- DS/RX management tools
  - O&M NIIN table replaces USVE
  - MWF forecasting tool for DS and GS maintenance
- Nationally-directed Penetration of ASL for IPD-01 requisitions
- Visibility of Main. transactions in SAMS
- SARSS Recon

Tactical Level

- Commander drives readiness
- Sets DS/RX program
- Stockage determination
- Determines O&M relationships for referrals
- ASL inventory deployable
- RON/DON Cdr's Option
- Partials at DOL
- DS/RX program O&M funded
- Maintenance-to-Maintenance
- Credit NSN-based
- Funds control in SARSS

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

DS/RX Strategy

Maintenance Workload File
"The Master List"

- **Identifies repairable NIINs as DS/RX (O&M)**
- **Manage GS AWCF repair program, quantity, retrograde**
- **Planned repair quantity for GS or DS repair programs**

OMA NIIN File
"A Tactical

- **Distinguishes what is O&M transaction by NIIN**
- **Identifies DS/RX activities by RIC**
- **Enables tactical retrograde and referral flow**
- **Fund management - identifies transaction as O&M - routes for fund check prior to release**

- 2 new files will define what is AWCF & what is O&M:
  - They will enable NIIN level decisions for flow of retrograde, O&M referrals and proper financial processing
- Files will work in synchronization with new O&M RICs and DODAACs to identify O&M transactions
- Files will be loaded with SSF MS 3 SCP prior to implementation
- Tables will reflect MACOM/ Cdr's DS/RX decisions

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

DS/RX Key Points

- **Tactical ASLs will have both AWCF and O&M inventories**
- **MMC managers make changes (same as today) to DS/RX List**
- **Decisions to make changes in the DS/RX program during the execution year continue to have a funding impact**
- **DS/RX decisions after conversion to SSF MS 3 have the same funding impact, but differ in magnitude of impact**
- **Commanders need to continue to make informed DS/RX program decisions based on funding and readiness impacts**

Today

- An O&M decision to add/delete items from DS/RX list
  - Add DS/RX NIIN - no longer buy (except washouts)
  - Delete DS/RX NIINs - Buy item

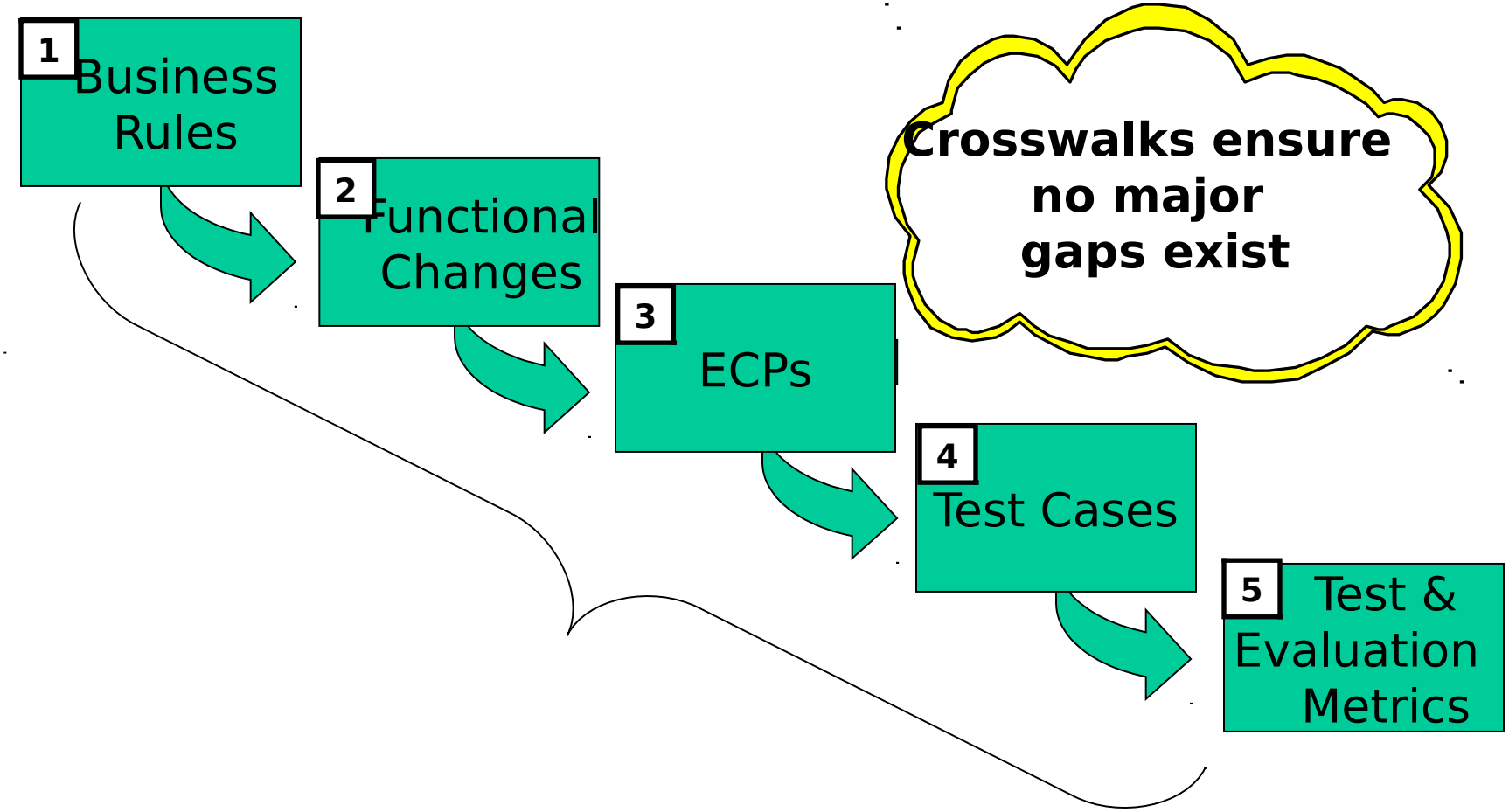
Tomorrow

- **Add DS/RX NIIN**
  - **Must purchase on hand -- on order inventory**
  - **No longer buy item (except washout)**
- **Delete DS/RX NIINs**
  - **On hand -- on order will be capitalized**
  - **Buy Item (same as today)**

Bottom Line: Decisions to add, delete should be readiness based

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Traceability: Key to Our Success



POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Test & Evaluation

All Software Completed

Software Functional Testing

Proponent Internal Testing Process:
- CCSS
- SARSS
- Middleware
- DAAS
- ISB

Successful Test

Systems Integration Test (SIT) Readiness Review

- Test Plan Completed
- Test Objectives Est.
- Environment Ready

- ***Individual Systems Software Ready***
- ***PD Approval***

SIT

- End-to-end Run of Test Cases Keyed to What Changes:
  - -DS/RX
  - - RON/DON
  - - Partials
  - - Recons

- ***All CDAs & MACOMs***
- ***End- to-end SIT Concludes***

Verification of Initial Operating Capability (VIOC) Readiness Review

- Evaluation Plan Complete
- Impl. Plan Complete
- SIT Objectives Met
- No Critical PRs Open
- High&Moderate PRs Documented
- Appropriate Waivers Approved

DA Deputy G-4 Decision to Start VIOC in Consult with GOWG

VIOC

- Implement Ft. Hood, TXARNG & selected USARC units
- Verify Conversion Process
- Verify Software
- Verify Business Processes
- Immediate Response to PRs

90 Day Data Collection & 60 Day Analysis Period Concludes

Implementation Readiness Review

- Prep for Army-wide Implementation
- All CDAs & MACOMs
- VIOC Objectives Met
- No Pri -1 PRs Open
- Waivers for PRs with Work-Arounds Approved by DA Deputy G-4

Army Leadership Decision to Implement Army-wide

Army-Wide Impl.

Sustaining The Transfo

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Quick Updates

- **Credit for Items Less than $50**
- **Conversion Sequence of Events**
- **Systems Integration Testing (SIT)**
- **Reserve Component Retrograde**
- **Deployments During the SSF Transitio**
- **SSF Problem Reports**
- **Year-end Processing**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Zero Credit for Items ≤ $50

- **Bottom line: Army is eliminating credit for transactions with unit dollar value of $50.00 or less**

- **Key points:**
  - **1 Feb 02: Policy implemented for NAMI**
  - **1 Mar 02: Policy will be implemented for AMI**
  - **Initiative is fully funded for FY 03**
  - **Department will review FY 02 bill at the mid-year review**
  - **Will reduce field workload in tracking low dollar value credit transactions**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Conversion Actions

- **Bottom line: Conversion events must be closely managed by III Corps & Fort Hood activities to ensure sustainment of ongoing ope**

- **Key points:**
  - **Process is sequential & event-dri**
  - **Follows detailed SSF Sequence of Events**
  - **Conversion Team is on site, will remain thru C+120 (change from MS 1&2)**
  - **Dates are established - follow them!**

- **Now at C-110!**
- **Leadership attention & SSF-Fort Hood Partnership are key to success**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

MS 3 Systems Integration Test (SIT)

- **Bottom line: All actions appear on track to begin SIT 22 Feb 02**

- **Key Points:**
  - **SIT Readiness Review being conducted 11&12 Feb 02**
  - **Objective is to assess readiness to commence Integrated Testing**
  - **5 areas will be reviewed**
  - **SIT will test numerous functions/processes:**
    - **Obligations: Partial issues from AWCF SSAs, proper recording of AWCF and O&M obligations**
    - **Overall systems processing**
  - **SSF GOWG will assess readiness to commence VIOC at conclusion of SIT**

Reserve Component Retrograde

- **Bottom line**: Assessing the volume to project impact

- **Key Points**:
  - SSF MS 3 Business Rules call for RC units to be able to turn-in Class IX to installation SARSS-1 (DOL)
  - USARC VIOC plan:
    - Retrograde to Fts. Dix, McCoy & Gillem (same as today)
    - Negotiate any Direct Customer turn-ins with Ft. Hood
  - ARNG VIOC plan:
    - Retrograde serviceables to Ft. Hood
    - Retrograde selected unserviceables to source of repair or DRMO -- not to DOL
  - Dir, SSF will monitor VIOC impacts to further develop Army MS 3 retrograde concept

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Deployments During the SSF MS 3 Transition Period

- **Bottom line: Field-level TTPs do not change as a result of SSF implementation -- but the environment changes**

- **Key Points:**
  - **SSF, FORSCOM, and CASCOM partnering to delineate any overarching TTPs in TRADOC & SSF planning documents**
  - **Results of 29 Jan 02 Deployment meeting:**
    - **Reviewed pre-VIOC, VIOC, and post-VIOC scenarios & deployment options**
    - **Can support deployments in the new SSF env[illegible]t**
    - **III Corps, FORSCOM, and DALO-SSF will monitor deployment changes and intensity, will adjust plans as necessary**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Projected Problem Report Closure

As of 8 Feb 02

SIT Starts

VIOC Starts

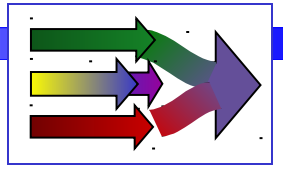
	Feb-02	Mar-02	Apr-02	Jun-02	Sep-02	Oct-02	Jun-03	Sep-03	TBD	Total
Priority One	1	5	0	0	0	0	0	0	0	6
Priority Two	9	5	5	4	0	0	0	0	2	25
Priority Three	2	7	2	3	0	2	1	1	1	19
Priority Four	0	0	0	0	0	0	1	0	0	1
Total	12	17	7	7	0	2	2	1	3	51

Scheduled Fixes

In Analysis

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Year-end Processing



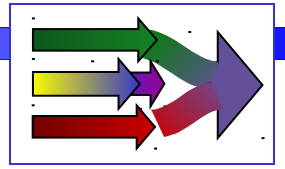
Concerns:
- **Uninterrupted processing**
- **Manual adjustments**

- **<u>Bottom line</u>: Solution will be in place for VIOC**

- **<u>Key Points</u>:**
  - **ASA(FM&C) assessing options to continue processing & release of on-site AWCF materiel at year-end cutoff w/o manual accounting adjustments**
  - **Solution will require OSD Comptroller review/approval**
  - **Fort Hood will assist in defining & testing the Army solution**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976

Perspectives



- **III Corps & Ft. Hood already beneficiaries of SSF!**
  - **The SSF search pattern has found and redistributed stocks to meet your priority requirements**
  - **Customer Wait Time rates across the Army are improved in every measurable category**
  - **Credit is stabilized and predictable**
  - **Numerous previously deferred SARSS ECPs have been fielded and validated**

- **We have a sound VIOC test plan & are committed to being a full partner in making this operational test a success**

POC: Mike Mannion/DALO SSF/617-1976/mannionm@hqamc.army.mil DSN: 767-1976